



Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

M/037/001

June 24, 1988

Ms. Tanta-Lisa Clayton
First Security Bank of Utah, N.A.
Corporate Trust Department
Trust Division
Suite 310
79 South Main Street
Salt Lake City, Utah 84111

Dear Ms. Clayton:

Re: Rio Algom Mining Corporation, Surety Release

This letter hereby authorizes and directs First Security Bank of Utah, N.A., to release the entire escrow funds of \$835,868.29 with any additional interest that has accrued on Account Number 160-6813.

The Board of Oil, Gas and Mining hereby waives any provisions of the Mined Land Reclamation Agreement and Escrow Agreement attached hereto as Exhibit A, which are inconsistent with the release of the escrow funds in this manner. This includes a waiver of Paragraph 6 of the Mined Land Reclamation Agreement. Additionally, no payments under Paragraph 2 of said reclamation agreement will be required. This will result in a termination of the escrow account.

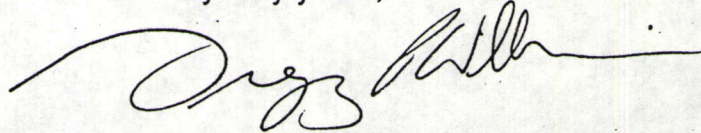
Said funds shall be released to Rio Algom Mining Corporation upon receipt by First Security Bank of Utah, N.A., of a written request for said funds by Rio Algom Mining Corporation with the similar waiver of the Mined Land Reclamation Agreement and Escrow Agreement provisions as described above.

This letter is consistent with the telephone conversation between yourself and Kenneth E. May, Associate Director, Mining of the Division of Oil Gas and Mining and Alan S. Bachman, Assistant Attorney General, State of Utah.

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If you have question or concerns relating to this action please contact
Kenneth E. May at (801) 538-5340.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Greg Williams', with a long horizontal flourish extending to the right.

Gregory P. Williams
Chairman, Board of Oil, Gas
and Mining

GPW/vb
Attachment
cc: Rio Algom Mining Corporation
0772Q-38